

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
02-15

2. STATE
Oregon

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID) Medical Assistance

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
December 1, 2002

5. TYPE OF PLAN MATERIAL (Check One): **NOV - 1 2002**

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
HCFA-PM-85-14

7. FEDERAL BUDGET IMPACT:
a. FFY 1/03 - 9/03 **\$0(398,393)(P+I)**
b. FFY 10/03 - 9/04 **\$0(531,188)(P+I)**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.18-A, pages 2 and 3; Attachment 4.18-C,
pages 2 and 3; Attachment 4.19-B, pages 3 and
3a (P+I)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.18-A, pages 2 and 3; Attachment 4.18-C,
pages 2 and 3; Attachment 4.19B, pages 3
and 3a (P+I)

10. SUBJECT OF AMENDMENT:

This transmittal is being submitted to add Mail Order Pharmacy Prescription to the categorically needy and the medically needy.

11. GOVERNOR'S REVIEW (Check One):

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Per Attachment 7.3A

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Jean I. Thorne *Bobby S. Mink*
13. TYPED NAME: Jean I. Thorne Bobby Mink

14. TITLE: Interim Administrator, OMAP Director, DHS

15. DATE SUBMITTED: **10-29-02**

16. RETURN TO:

Office of Medical Assistance Programs
Department of Human Services
500 Summer Street NE, 3rd Floor, E35
Salem, OR 97301

ATTN: Carole Van Eck

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: **NOV - 1 2002**

18. DATE APPROVED: **APR 22 2003**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: **DEC - 1 2002**

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: **Karen S. O'Connor**

22. TITLE: **Associate Regional Administrator
Division of Medicaid &
Children's Health**

23. REMARKS:

10/29/02 Salem
P+I changes authorized by the State on 3-13-03.

Oregon 02-15
Approved: 04/22/03
effective: 12/01/02

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: OREGON

B. The method used to collect cost sharing charges for categorically needy individuals:

 X Providers are responsible for collecting the cost sharing charges from individuals.

 The agency reimburses providers the full Medicaid rate for services and collects the cost.

C. The basis for determining whether an individual is unable to pay the charge, and the means by which such an individual is identified to providers, is described below:

Medicaid recipients who indicate to the provider that they cannot pay the co-payment at the time the service is provided cannot be refused services because of their inability to pay. However, recipients are liable for the copayment and are expected to pay the co-payment when they are able to do.

Providers are informed that they cannot refuse services to a Medicaid recipient solely because of the recipient's inability to pay the co-payment. The provider can use any other legal means to collect.

D. The procedures for implementing and enforcing the exclusions from cost sharing contained in 42 CFR 447.53(b) are described below.

Adjustments to provider reimbursement amounts and exclusions from cost sharing requirements are programmed into the Point-of sale System (POS)

Individuals under 19: The MMIS and POS system automatically verifies benefits and age requirements and will override the co-payment for recipients under 19. Additionally the medical ID card shows the recipients date of birth should the provider wish to verify age prior to collection of co-payment.

Pregnant Women: The MMIS and POS reporting codes will identify and exclude pregnant woman from cost share. If the case has not been previously identified and coded the provider is instructed to contact provider services for an override of the co-payment.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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Institutionalized Individuals: The MMIS and POS reporting codes will identify and exclude residence to nursing facilities or other institutionalized residence from cost share. If the case has not been previously identified and coded the provider is instructed to contact provider services for an override of the co-payment. Providers have been instructed not to collect cost sharing from these institutionalized individuals. Facilities have been instructed to assure that staff accompanying recipients out of the facility for health care visits advises providers of the recipient's institutional status.

Emergency Services: The providers have been instructed not to collect cost sharing amounts from individuals seeking or obtaining emergency services. The provider identifies that the service provided was an emergency by entering a code in the appropriate field on the POS system.

Family Planning Services and supplies: The POS System will identify and exclude family planning drugs such as birth control pills, and supplies from cost share.

HMO Enrollees: All individuals identified to the provider through the POS system, are exempt from co-payments for those services which are covered by the plan.

IHS/Tribal Health Facilities under Section 638: Clients who receive services through federally recognized IHS/Tribal Health Facilities (IHS) under Section 638. The MMIS & POS will identify & exclude co-payments for individuals utilizing services through IHS/Tribal Health Facilities under Section 638.

Mail Order Prescription: The POS system will identify and exclude prescription drugs dispensed through the mail order drug program.

E. Cumulative maximums on charges:

X State policy does not provide for cumulative maximums.

Cumulative maximums have been established as described below:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: OREGON

B. The method used to collect cost sharing charges for medically needy individuals:

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State: **OREGON**

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E. Cumulative maximums on charges:

X State policy does not provide for cumulative maximums.

Cumulative maximums have been established as described below:

Prescribed Drugs

A. General

- (1) The Department of Human Services (DHS) will pay the lesser of the provider's usual charge to the general public for a drug or the estimated acquisition cost (EAC) plus a dispensing fee. DHS determines the EAC to be the lesser of: Oregon maximum allowable cost (as defined in B.2.), the federally established maximum allowable cost or the average wholesale price minus 14%. DHS determines usual charge to be the lesser of the following unless prohibited from billing by federal statute or regulation:
 - a. The provider's charge per unit of service for the majority of non-Medical Assistance users of the same service based on the preceding month's charges;
 - b. The provider's lowest charge per unit of service on the same date that is advertised, quoted or posted. The lesser of these applies regardless of the payment source or means of payment;
 - c. Where the provider has established a written sliding fee scale based upon income for individuals and families with income equal to or less than 200% of the federal poverty level, the fees paid by these individuals and families are not considered in determining the usual charge. Any amounts charged to third party resources are to be considered.
- (2) The DHS requires prior authorization of payment for selected therapeutic classes of drugs. These drug classes are listed in the Oregon Administrative Rules in the Oregon Pharmaceutical Services Guide. Exception to the prior authorization requirement may be made in medical emergencies.
- (3) The DHS will reimburse providers only for drugs supplied from pharmaceutical manufacturers or labelers who have signed an agreement with CMS or who have a CMS approved agreement to provide drug price rebates to the Oregon Medicaid program.
- (4) DHS utilizes a contracted mail order vendor, the program is voluntary for the enrollees. The vendor is selected via a standard invitation to bid process. All Medicaid program rules apply to the vendor contract, payment rates are established during the bid process.

B. Payment Limits for Multiple Source Drugs

- (1) The DHS has established the payment amount for multiple source (generic) drugs as the lesser of the Oregon maximum allowable cost, CMS upper limits for drug payment, average wholesale price minus 14%, plus a dispensing fee or the usual charge to the general public. Drugs purchased through the DHS mail order vendor is the lesser of the Oregon maximum allowable cost, CMS upper limits for drug payment, average wholesale price minus 60%, plus a dispensing fee.

P4I

- (2) The Oregon Maximum Allowable Cost (OMAC) is determined on selected multiple-source drugs designated as bioequivalent by the Food and Drug Administration. The upper limit of payment for a selected multiple source drug is set at a level where one bioequivalent drug product is available from at least two wholesalers serving the State of Oregon. When the OMAC is based upon AWP it will be set at 14% below AWP. The upper limit of is payment established by the OMAC listing does not apply if a prescriber certifies that a single-source (brand) drug is medically necessary.
- (3) The average wholesale price is determined using information furnished by the DHS's drug price data base contractor.
- (4) Payment for multiple-source drugs for which CMS has established upper limits will not exceed, in the aggregate, the set upper limits plus a dispensing fee.
- (5) No payment shall be made for an innovator multiple source drug having a federal upper limit for payment if under applicable Oregon State law a less expensive non-innovator multiple source drug could have been dispensed.

C. Payment Limits for Single-Source Drugs

- P+I
- (1) The DHS will pay the EAC plus a dispensing fee or the usual charge to the general public, whichever is lower, for single-source drugs. The DHS defines EAC for single-source drugs as the average wholesale price minus 14%. Drugs purchased through the DHS mail order vendor is the lesser of the Oregon maximum allowable cost, CMS upper limits for drug payment, average wholesale price minus 21%, plus a dispensing fee
 - (2) The usual charge to the general public is established as indicated in A.(1).
 - (3) The average wholesale price is determined from price information furnished by the DHS's drug price data base contractor.
 - (4) Payments for single-source drugs shall not exceed, in the aggregate, the lesser of the estimated acquisition cost plus a reasonable dispensing fee or the provider's usual charge to the general public.